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Consumer Price Index

A release from the Province of British Columbia's central statistical agency

REFERENCE DATE: MARCH 2014

CONSUMER PRICE INDEX (2002=100)

HIGHLIGHTS

British Columbia's consumer price index (CPI) was 0.1% higher in March than in the same month a year earlier. This is the first increase in the province's CPI since March 2013; over the last 11 months the CPI has either been flat or fallen compared to the same period a year previous. Higher transportation costs (+1.3%) as well as higher price tags on alcoholic beverages and tobacco products (+2.4%) have all played a role in the recent inflation reported for British Columbia.

Consumers forked over 0.6% less for food, as the cost of restaurant meals (-4.5%) remained well below 2013 levels. At the same time, the price of food purchased from stores increased (+1.1%), boosted by rising costs of fresh fruit (+11.0%) and fruits, fruit preparations & nuts (+3.6%). Prices for fish & seafood products were also sharply higher (+8.9%) than in March 2013, while dairy products & eggs cost consumers 1.4% more than a year earlier.

Shelter costs continued to fall (-0.1%), keeping a lid on the province's overall inflation rate. While renters paid more (+1.0%) for accommodation than in March 2013, the cost of owned accommodation fell at the same rate (-1.0%). Water, fuel and electricity prices were up 2.3%.

The overall cost of household operations & furnishings was down 0.8% from March 2013.

Clothing & footwear prices took a step down (-1.3%), while transportation costs (+1.3%) edged up as gas prices increased at the same rate (+1.3%). Health & personal care products & services cost consumers 2.0% less, but they paid more for recreation, education & reading materials (+1.6%) and alcoholic beverages & tobacco (+2.4%).

Among major cities, Vancouver (+0.3%) saw a modest increase and Victoria (-0.1%) saw the overall price level drop during the twelve-month period ending in March.

*

British Columbia had the lowest year-over-year inflation rate when compared to the other provinces. The Canadian inflation rate was 1.5% in March, and other than B.C. (+0.1%) and Quebec (+0.9%) the remaining provinces observed inflation rates above the national number. Alberta (+3.9%), P.E.I. (+3.0%), Saskatchewan (+2.8%) and Manitoba (+2.3%) reported the highest inflation rates. In the Territories, Whitehorse had a relatively high inflation rate at 2.3% while Iqualuit saw a much smaller rise (+1.3%).

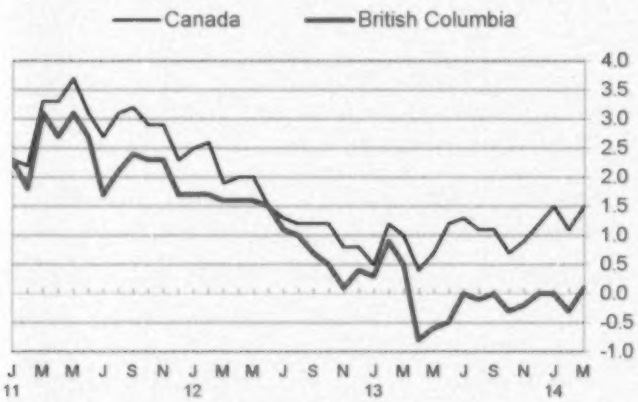
Note: Statistics Canada will release the April Consumer Price Index on May 23, 2014.

2002=100	All-Items Index	% Change from	
	March 2014	February 2014	March 2013
Canada	124.8	0.6	1.5
BC	118.6	0.5	0.1
Vancouver	120.3	0.7	0.3
Victoria	117.0	0.4	-0.1
Core Canada[1]	122.5	0.3	1.3
BC (excluding energy)	115.6	0.3	-0.1

[1] The Core CPI for Canada: Defined by the Bank of Canada as the All-items index excluding the eight most volatile components (fruit, vegetables, gasoline, fuel oil, natural gas, mortgage interest, inter-city transportation and tobacco products). Also excluded is the effect of changes in indirect taxes on the remaining components.

BC AND CANADA INFLATION TREND

(% change, same month of previous year)



2002=100	Latest 12-month Average Index (ending in March 2014)	Latest 12-month Average % Change	2013 Annual Average % Change
Canada	123.2	1.1	0.9
BC	117.7	-0.2	-0.1
Vancouver	119.2	-0.1	0.2
Victoria	116.2	-0.4	-0.3

TERMS AND DEFINITIONS

BASE EFFECT

The 12-month variation in the CPI is calculated by comparing the current month's index with the index for the same month of the previous year. The 12-month change is represented by the difference in the indexes of the reference months. Thus, the 12-month variation can decrease from one month to the next merely because the base serving as the point of comparison increased.

Source: Statistics Canada

TWELVE-MONTH PERCENT CHANGES

Also referred to as "year-over-year", twelve-month percent changes compare indexes for a given month to indexes for the same month of the previous year. As they compare two points in time, they are influenced by unusual or temporary events that can affect either of the two months. Their calculation does not include any of the intervening monthly indexes.

Source: Statistics Canada

ANNUAL AVERAGE INDEX

Annual average indexes are calculated by averaging index levels over the 12 months of the calendar year. These data should not be confused with the 12-month change in the CPI. By the nature of the calculation, averaging indexes over the calendar year gives a better representation of price behaviour over the whole year and is closer to the concept of an average price. The use of annual averages is considered the preferred option for indexation purposes.

Source: Statistics Canada

LATEST TWELVE-MONTH AVERAGE INDEX

The latest twelve-month average index (ending in the current month) is a 12-month moving average of the indexes of the most recent 12 months. It is calculated like the annual average index. Hence, in theory, the December twelve-month average index would be equal to the annual average index for the calendar year. However, in practice, when BC Stats makes these calculations from published data, the December 12-month average index may differ from Statistics Canada's published annual average index due to rounding.

Source: Statistics Canada

HARMONIZED SALES TAX

On July 1, 2010, the Harmonized Sales Tax (HST) came into effect in British Columbia and Ontario. As well, Nova Scotia increased its HST by two percentage points.

On April 1, 2013, the Harmonized Sales Tax came into effect in Prince Edward Island, while British Columbia returned to the Provincial Sales Tax and the Goods and Services Tax.

Source: Statistics Canada

ADDITIONAL INFORMATION

More information about the concepts and use of the CPI is available online in the Statistics Canada publication Your Guide to the Consumer Price Index (catalogue 62-557-XIB)

With the release of the May 2011 CPI, Statistics Canada has updated the basket of goods & services used in the calculation of the Index. Learn more

Prepared by: BC Stats, April 2014